

Saliva Screening:

A Calculated Risk That's Paying Off

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In this era of exploding information, everyone talks about technology, and usually that means electronic technology — computers, hardware, software, modems, the Internet, voice-response systems, FAXes, copiers and imaging. And rightfully so, because the smartest, most creative and innovative use of technology will set apart the truly successful companies of the 21st Century.

At Zurich Kemper Life, we have used electronic technology to simplify and speed the process of applying for and issuing life insurance. Twenty-five years ago, we committed ourselves to creating ease and simplicity through electronic information gathering and sharing, and we continue to pursue it today. Our commitment to technology led us to think outside the box in terms of medical technology as well. It motivated us to take a calculated risk.

In November of 1996, we announced to our independent general agents that we had a “no-needles” alternative to blood and urine samples — saliva! It was and still is:

- designed for ease and speed of collection.
- customer friendly, especially for prospective insureds who are averse to or even phobic about needles.
- conducted in front of the paramed, with an unquestioned chain of custody.
- less expensive to collect, process, and analyze.

Saliva screening for HIV, cotinine (nicotine), and cocaine has been available since 1991, but it was not until June of 1996 that the FDA approved the testing protocol. We were not the first life insurance company to turn to saliva screening as part of our underwriting process. We were, however, among the first to offer it within the independent life brokerage general agency distribution system, on a wide scale to a sizeable cross section of prospective insureds, and for higher face amounts.

Does saliva yield as much information as blood and urine analysis? No. We knew it didn't, and that was part of the calculated risk. But we also knew two other things: (1) that there was sufficient research, reporting, and results about the safety and reliability of saliva testing for us to feel comfortable about the decision, and (2) that we would be able to compensate for possible missing information in other ways.

One source of support is the MIB. Since we conduct a search on every case and a large percentage of our term business is replacement, the MIB often alerts us to possible anti-selection through reported abnormal blood/urine tests from a previous carrier.

Second, the elements that are not included in the saliva screen — e.g., cholesterol, glucose, and liver function tests — have a high percentage of negative findings in the normal population from whom we would otherwise require blood and urine specimens.

We gain a third element of control by setting rate-class, age, face-amount, and product parameters for saliva use. We allow saliva screening for Preferred and Standard rate classes for applicants through age 60 seeking term coverage with face amounts through \$500,000. We do not make it available for our best rate class (Premier).

In the beginning, we also limited saliva screening to cases processed through our streamlined TeleLife® program. Besides being a control factor, that combination also eliminated the need for our paramed medical history form, thus saving time and money. Today, saliva screening is also available with our Kemper Century Plus UL product through either TeleLife® or traditional processing, a further indication of our comfort level.

Finally, we make it clear to applicants and agents that we reserve the right to request other medical information — including blood and urine.

Even with the controls we have imposed on saliva, there are encouraging statistics that illustrate not only its practicality but its popularity among potential customers and our general agents and writing agents.

- We have averaged 3,000-to-4,000 saliva specimens a month since January 1997.
- In 1998, we received almost 51,000 saliva specimens.
- We are averaging 600-to-700 positive cotinine results per month, about two HIV positives per month, and five cocaine positives per month (with appropriate follow-up).

The way the process works now, an authorized paramed completes an identification slip, collects the saliva specimen (on a sterile plastic stick with a chemically-treated swab on the end, which the proposed insured holds between his/her cheek and gums for about three minutes), and places it and the slip in a special mailer included in the saliva kit.

Then, off to the lab just as blood and urine samples are forwarded. Stability of the saliva specimen has, by the way, been designed to exceed 30 days under the most adverse conditions.

It is too early to tell with scientific accuracy how our mortality results for saliva cases compare with those for which blood and urine are used. But our experience so far, and the positive reception demonstrated by customers and producers, has spurred us to take the breakthrough process to the next level.

We have envisioned saliva screening as an attractive way to begin the underwriting process for large numbers of applicants at one time and in one location — for example, at their work site. Such an innovative approach would be much more difficult if blood and urine were involved.

We also envision the local agent administering the saliva screen, which, in many cases, could be done at the time the agent is taking the application. This would be a convenience for the applicant/proposed insured and a sales advantage for the agent. In some cases, agent collection also could eliminate the paramed's involvement in the medical information-gathering process, an additional savings of time and money.

The first step in taking saliva collection to the agent level is to select willing, able, and reliable agents to participate. The second step is absolutely essential — getting participating agents properly trained and certified. The process must become intuitive for them if we are to maintain the ease, convenience, and speed of saliva collection and

preserve the integrity of the sample itself. We have, in fact, already trained and certified a number of writing agents from carefully selected general agencies representing Zurich Kemper Life.

Even as we monitor the results of these pilot situations, we are moving ahead with additional training/certification efforts. And we are searching for additional opportunities to put saliva to the test. These, too, may be calculated risks, but that's what high rewards are all about.

NAILBAnote: *Lynn Patterson has been responsible for setting the policy and establishing the procedures that drive Zurich Kemper Life's aggressive approach to life underwriting. He has been integral to the launch of such innovative programs as saliva screening as well as the reduction in the number of Attending Physician Statements (APS) required for final underwriting decisions. He deals daily with agreements and negotiations involving laboratories, paramed firms, reinsurance companies and unique, advanced-underwriting cases.*